OZ IT

Australian IT Bulletin

U.S. Commercial Service, Australia

Welcome

June 2002

Inside this Issue

To the Australian IT Bulletin

This monthly publication will provide useful business intelligence on the Australian IT market.

In this issue you will find information on:

- Upcoming trade shows,
- Overview of Local Cybercrime Report,
- Our Company Profile report – OpenTel.,
- Commercial Service activities in Australia,
- and much, much more!

For further information on the articles in this publication or on any aspect of the Australian IT market, please contact
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EXODUS FROM AUSTRALIA

In a move reflecting the downturn of the IT industry worldwide, Exodus Communications has closed the chapter on its Australian expansion recently with the sale of its data centre located in the Sydney suburb of North Ryde to Fujitsu. One of Exodus's last built, and most technology-packed data centres, the North Ryde facility, was reported to cost US$45 million to build. Observers say it is unlikely Fujitsu paid even a third of the build price. Exodus's Melbourne operation was recently sold to Australian company, Virtual Communities Pty Ltd.

Gartner on Oz

IT Services in Australia will grow by 14 % CAGR up to 2005

Demand for storage solutions will grow by 12 % CAGR over the same period

Spending on hardware is predicted to grow at 0.4 % over the same period.

Source: Gartner, Inc. Australia & New Zealand Year Book

U.S. Electronics Company Chooses New South Wales for Oz Plant

One of the world's largest electronics manufacturers, Californian-based Sanmina – SCI, is going to invest US$1 million in establishing a new plant in Sydney. The company will manufacture Personal Computers (PCs) for IBM. Further expansion is possible if the company can secure additional contracts with some of its international client base which includes Dell, HP/Compaq, Nokia and Ericsson. This is the second installation that Sanmina – SCI has established in Australia, with an existing manufacturing plant in Western Australia.

IBMs Asia Pacific Centre for e-Business Innovation

Over the last year, IBM's AsiaPac Centre for e-business Innovation in downtown Sydney has invested over US$6.5 million in IT, projects and staff training. IBM established the Centre a year ago to provide e-business technology development, expertise and training to IBM customers, IT professionals, business leaders and students in the Asia Pacific. Over the last year, companies such as News Limited, Citibank, Poland's BRE Bank as well as delegations from Korea and the Malaysian Automotive Industry have participated in projects at the Centre.

POST SHOW UPDATE - CEBIT 2002, SYDNEY

Commercial Service Australia exhibited at Cebit Australia, recently held in Sydney. Led by Telecommunications Specialist, Elly Bartak, the show was a success with many Australian companies interested in our services as well as the opportunities of logging on to the BUYUSA.com website.

Approximately 14,000 attendees visited the three-day show which featured a mix of IT and telecommunications companies exhibiting their products and services. On the other hand, Comdex Australia, which was held in March 2002 in Sydney, attracted only 8,000 visitors…….

UPCOMING TRADE SHOWS

HIC 2002 – Health Informatics Conference
August 4-6 Melbourne
Organizers: HIC 2002
413 Lygon Street
Brunswick East, VIC 3057
Tel: 61 3 9388 0555
Fax: 61 3 9388 2086
www.hic.org.au, **email:** hisa@hisa.org.au

HIC 2002 includes conference and expo and concentrates on the provision of IT services and goods to the healthcare industry.

IT/Comdex
September 4-6 Melbourne
Organizers: Key3 Media Australia
5-9 Smail St.,
Broadway NSW 2007
Sydney, Australia
Phone: 61 2 9280 4415
Fax: 61 2 9280 4545
http://www.key3media.com.au

IT Comdex, Melbourne is a joint show with Interact Asia Pacific Multimedia Festival. It continues the successful global Comdex brand theme.

CeBIT Australia
May 6-8, 2003 Sydney
Organizers: Hannover Fairs Australia
Suite 32, Level 3
8-24 Kippax Street
Surry Hills, NSW 2010
Australia
Tel: 61 2 9280 3400
Fax: 61 2 9280 1977
Email: info@hannoverfairs.com.au

CeBIT Australia is the Australian production of the successful CeBIT show in Hannover.

Distributor Profiles

Multimedia Applications

Pineapplehead Distribution Pty Ltd

Level 6, 369 Royal Parade
Parkville VIC 3052

Tel: 61 3 9349 1644

www.pineapplehead.com.au

Evan Kourambas – Product Development Manager

Pineapple head is one of the leading distributors in the Australian market of multimedia software, imaging and digital video products. Some of the vendors that it represents include: Appian, Orange Micro, Ulead Systems, Pinnacle Systems, and MatchWare.

Contact Evan on ekourambas@pineapplehead.com.

Marketing Results/Quadtel Pty Ltd

Unit 16, 8 Gladstone Rd
Castle Hill
NSW 2154

Tel 61 2 8852 4600
Fax: +61 2 9899 5728
www.marketingresults.com.au
Rodney Orrock – Managing Director

Quadtel - Marketing Results is a wholesale distributor specializing in innovative "first-to-market" software, hardware and networking products for the retail, reseller and internet service provider marketplaces.

Contact: Rodney Orrock on
rodney@marketingresults.com.au

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Open Telecommunications Goes to the Edge

Publicly-listed Open Telecommunications is on the verge of falling into receivership as a number of its top executives leave the company. Chief Executive, Colin Chandler and CFO Shane Hodson recently left the company citing concerns about cash reserves. The company, which provides software solutions to telecommunications carriers, has cut 200 people from its workforce over the last year. Founder and Chairman, Wayne Passlow has taken over the day-to-day running of the company.

 In its day, OpenTel generated close to US$50 million in revenue per year providing intelligent network software solutions and operational support systems software to telecommunications carriers. It is also an acknowledge software development house. Recently OpenTel's customer base has been shrinking with telco. carriers collapsing. A good example is its contract to supply software to US fibre-optic network operator, Williams Communications, which recently filed for Chapter 11 bankruptcy protection, putting the contract in jeopardy More information on OpenTel can be found at:

www.ot.com.au

Connecting Australian Small Businesses

Technology Choice

Dial-up Connection	63%
Permanent Dial-up Connection	19%
Cable Broadband	5%
ADSL Broadband	9%
Other (Incl. Satellite and ISDN)	4%

Upgrade Plans

DSL-type connection	36%
Cable	16%
Other (Satellite, multichannel ISDN)	10%
Unsure	38%

Source: Jupiter Media Metrix, May 2002

Reported Misuse, Crimes & Attacks on Oz Businesses

Insider Abuse of internal computer
resources   23 %

Insider abuse of Internet access or email
                                            80 %

Unorthorized access to information by
insider   16 %

System penetration by insider   20 %

Laptop theft   74 %

Virus/Worm/Trojan infection   76 %

Degradation of network performance
associated with heavy scanning   41 %

Denial of Service (DOS) attack   43 %

Sabotage of data or networks   15 %

Unorthorized privileged access   39 %

Theft/breach of proprietary or confidential
information   24 %

Source: Australian Computer Crime and
Security Survey 2002

LEADING NETWORKING DISTRIBUTORS IN OZ

Dimension Data Australia Pty Ltd

Powerlan Pty Ltd

Lan 1 Pty Ltd

Information Gateways Pty Ltd

Volante Group

Alstom IT

ASI Solutions Pty Ltd

Open Systems Pty Ltd

LAN Systems Pty Ltd

ACA Pacific

Digital Network Solutions Pty Ltd

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